



October 28, 2011

Reno Regency Apartments
Teri Doel / General Manager
590 Lake Street
Reno, NV 89501

Dear Teri Doel,

As you know, we provided you earlier with the FCC-required notification of our station's election of retransmission consent status on your cable system for the next three-year cycle. We suspect that you share our interest in a mutually acceptable renewal of our existing retransmission agreement as quickly as possible and certainly before the Holidays begin. To that end, we now wish to begin a substantive dialogue on the material terms and conditions.

As you know, we are operating under an agreement with your company that was executed just a few years ago. While we do not regard all the terms in that agreement as beneficial, we nevertheless are prepared to continue operating under those terms through the next three-year cycle. We therefore propose to renew the existing agreement from January 1, 2012 through December 31, 2014, with simply an update to the retransmission fee. This approach will reduce the time and expense that both of us otherwise would need to invest in these negotiations, and we believe that there is great value in this streamlined approach for both parties.

In terms of the retransmission fee, we can both agree that the marketplace for broadcast, non-broadcast, and sports programming rights has undergone tremendous changes since our last negotiation. We are not looking to lead the market. Rather, we seek only to be compensated fairly for the tremendous value that our station's network and non-network programming bring to your cable system.

In our case, this includes popular ABC Programming such as Good Morning America, ABC World News Tonight, Dancing with the Stars, Modern Family, Grey's Anatomy and Desperate Housewives, ABC sports programming including NBA Basketball, NCAA College Football, the Indianapolis 500 and Nascar. We also air popular syndicated programming such as Live with Regis and Kelly, Rachael Ray, Dr. Oz, Jeopardy and Wheel of Fortune. As you are probably aware, our station is consistently the #1 station in the Reno market, surpassing all other broadcast stations in sign on to sign off share and also significantly outperforming any and all cable networks in the market as well.


After extensive research, we prepared the enclosed proposal to be fully consistent with marketplace conditions.

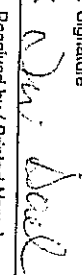
At this time, I am also prepared to extend a special incentive discount. If you find our amendment acceptable, and you return a signed version to me before November 15th, our station will grant an incentive discount to the fees due throughout the three-year term. This discount reflects the value to us of finalizing a retrans renewal quickly and without the additional expense of time, legal fees, and the like. The incentive rates are contained in our proposed amendment.

Please understand that this outline is intended to be an expression of our interest and intention to proceed in good faith toward a definitive agreement. It is not intended to be a formal offer or binding agreement in and of itself, and any agreement between the parties will become binding only at such time as we both execute a definitive agreement. Finally, we are proceeding with this proposal on the understanding that our negotiations are subject to the confidentiality provisions of our existing agreement. If you do not agree with this approach, please communicate that to me immediately, and be advised that this outline will be withdrawn.

We look forward to hearing from you soon regarding our renewal negotiations.

Thank you,


Matthew B. Eldredge
General Manager
KOLO-TV

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>1. Article Addressed to:</p> <p>Reno Regency Apartments Teri Doel / General Manager 590 Lake Street Reno, NV 89501</p>		<p>A. Signature X </p> <p>B. Received by (Printed Name) Teri Doel</p> <p>C. Date of Delivery 11-1-11</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7010 3090 0000 7933 0237</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>PS Form 3811, February 2004</p>		<p>Domestic Return Receipt</p>	